

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Table of Contents

Overview	2
Introduction	2
Types of Special Payments	2
Special Pay Codes	2
Establishing Programmatic Data	3
Automatic Special Pay Programmatic Data	3
Audit	4
Requirements	4
Taxable Benefits	4
Taxable Benefits	4
Taxable Benefits	5
Imputed Life	5
Special Pay 14	5
Terminated Payments	6
Leave Payments	6
Deceased Pay Guidelines	6
Deceased Payments	7
Special Payments – Data Entry	8
Special Payment Transactions Generally	8
Reportable Meals and Company Car	8
HUE01	9
Special Payments as Regular	13
HUC01 Payments	13
Processing Hints	16
Importance of Indicators	16
Basic Decisions	16
Special Rules for Combined Payment Processing	17
Preferred Results	17
Internal Control	18
Records Retention	19
Time Period	19
Contacts	19
DOA Contact	19
Subject Cross References	19
References	19

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Overview

Introduction

CIPPS can be used to process payments to employees for compensation and expense payments not normally associated with their regular salary or wages. These payments are commonly referred to as Special Payments. Examples of Special Payments include:

- Annual, sick, or compensatory leave balance payments.
- Workers' Compensation payments.
- Moving and Relocation payments.
- Other miscellaneous taxable and non-taxable income.

Types of Special Payments

Special Payments are processed in CIPPS in two ways:

- Automatic Special Pay – processes automatically when the employee is paid. Any special payment that has been activated for your agency can be established in this manner. Generally, only special payments that are for the same amount each period, such as Workers' Compensation or Office Expenses, are established as Automatic Special Payments. Refer to CAPP Topic No. 50310, *Rehires and Employee Data Maintenance*, for more information regarding the use of automatic special pays.
- One Time Only Special Pay – processes only on the payroll in which it is data entered. Special payments will process with the normal pay period processing or on a “Special Pay Only” pay run. “Special Pay Only” pay runs are stand-alone payruns in which only special payments are paid and no regular pay is processed.

Special Pay Codes

Some special pays are standard and some are agency specific. The Statewide Special Pay codes are listed in CAPP Topic No. 60201, *CIPPS Codes*. DOA determines the taxability of all special pays, which cannot be overridden by the agency.

Contact the State Payroll Operations if your agency has unique payroll needs that can be accommodated using existing Special Pay codes, but which have not been activated for your agency. Remember that DOA must establish special payments at the company (agency) level in order for them to process for your agency.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Overview, Continued

Establishing Programmatic Data

To ensure the proper recording of expenditures to the Commonwealth Accounting and Reporting System (CARS), special pay programmatic coding must be established for each employee on HMBU1, if different from the employee's 0R1 (Regular Earnings) programmatic record. If special payments are to be charged to different programmatic coding, set-up a HMBU1 record to reflect the correct coding, with the special pay number in the **PAY TYPE** field. See the exception noted below and CAPP Topic No. 50125, *Programmatic Data*, for more information about programmatic setup.

Automatic Special Pay Programmatic Data

For the Special Pays listed below, the CIPPS/CARS Interface automatically charges the expenditures to specific object codes. For these Special Pays, CIPPS uses the employee's **0R1** record and changes only the object code of the Special Pay amount. As stated above, if the Special Pay should be charged to different programmatic coding than the employee's 0R1 record, a programmatic record must be established indicating the appropriate Special Pay number in the **PAY TYPE** field. The system will use this programmatic coding with the specific default object code.

PAY CODE	DEFINITION	OBJECT CODE
002	Workers' Compensation	1151
009	Annual Leave	1162
010	Sick Leave	1163
011	Compensatory Leave	1164
016	Adjunct Faculty	1145
017	Other Fac./Part-Time	1145
019	Per Diem Payments	1134
024	IPP Bonus	1131
025	Bonus	1131
031	Inv Sep	1171
044	Mil Supp	1132
046	Medi-Refund	1115
061	VSDP Ben	1153
062	WCSDPBEN	1154
063	WC SUPP	1152

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Overview, Continued

Automatic Special Pay Programmatic Data (continued)

PAY CODE	DEFINITION	OBJECT CODE
066	WTA - Annual Leave	1176
067	WTA - Sick Leave	1177
068	WTA - Comp Leave	1178

Audit Requirements

DOA performs a centralized post-audit of CIPPS payments. **Any hourly employee payments made using a Special Payment transaction must contain the corresponding hours worked with the payment information.** If the hours are not entered, an explanation to the DOA CIPPS/PMIS post-audit will be required and excessive exceptions will be reported in *the Report on Statewide Financial Management and Compliance*, or Quarterly Report.

Taxable Benefits

Taxable Benefits

Special Payments can be used for benefits that must be taxed, but not paid to an employee. Examples are, group-term life insurance, rent, agency-owned automobile usage, and meals and lodging. These benefits are sometimes referred to as non-cash fringe benefits. According to the IRS, in some cases, these non-cash fringe benefits must be reported as taxable income, and must receive special treatment for taxing and withholding purposes. Most of the CIPPS special payments have been established on a system level to accommodate any special taxing and/or reporting needs associated with these fringe benefits.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Taxable Benefits, Continued

Taxable Benefits

For taxes to be appropriately withheld, such special payments must be processed with a payroll in which the employee is also receiving regular pay. If the employee is not receiving regular pay, taxes cannot be withheld, and transactions entered will be recycled as system-generated Tax and Deduction Overrides, which will process the next time the employee receives a regular payment.

Special Pay transactions to update employee records to reflect taxable benefits must be processed **before the last payroll cycle of the calendar year** so that tax amounts can be withheld correctly. If they are not processed before the December 10 – 24 payroll, manual pay sets must be used to update the taxable wage fields for non-cash fringe benefits at year-end. Manual pay sets will update the taxable wage fields, but no taxes will be withheld. Refer to the IRS Publication 15, Circular E, Employer's Tax Guide, and CAPP Topic 20319, *Electronic Federal Tax Payments Processing*, for the reporting of payroll taxes when not withheld from the employee as required.

Imputed Life Special Pay 14

The IRS has determined that the uniform premium cost of providing life insurance coverage in excess of \$50,000 is a taxable benefit known as imputed life. The IRS requires imputed life to be reported as taxable federal and state income. FICA (OASDI and HI) tax must be withheld, however, no income taxes are withheld.

In order to calculate Imputed Life for an employee, an automatic Special Pay 14, IMP LIFE, must be established on the Automatic Special Payment Screen (H10AS). CIPPS will automatically calculate and withhold Old Age and Survivor, Disability Insurance (OASDI) and Hospitalization Insurance (HI) taxes on imputed life income on a monthly basis.

For specific instructions on the set-up of the Imputed Life, see CAPP Topic No. 50425, *Group and Optional Life Insurance*.

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Terminated Payments

Leave Payments

During periods of LWOP, upon termination and/or transfer to another state agency, employees may be entitled to payments for their accumulated annual, sick, and compensatory leave balances or may receive leave share payments. The following chart references the appropriate policy for guidance:

Special Pay		For Maximum Payouts and Other Information, See
Number	Name	
06	Leave Share	DHRM Policy No. 4.35, <i>Leave Sharing</i>
09	66-WTA Annual Leave	DHRM Policy No. 4.10, <i>Annual Leave</i>
10	67-WTA Sick Leave	NON-VSDP EMPLOYEES - DHRM Policy No. 4.55, <i>Sick Leave</i>
		VSDP EMPLOYEES - DHRM Policy No. 4.57, <i>Sickness and Disability Leave Program</i>
11	68-WTA Compensatory Leave	DHRM Policy No. 3.10, <i>Compensatory Leave</i>
27	Overtime Leave	DHRM Policy No. 3.15, <i>Overtime Leave</i>

Deceased Pay Guidelines

The method for handling federal taxation and reporting of a payment of wages to an employee who has died, depends on when the wages are paid in relation to the employee's death.

Employee dies before cashing paycheck. If an employee dies after receiving a paycheck but before cashing it, the agency should reissue the check to employee's executor/administrator for the same net amount, since income and employment taxes were properly withheld. The wages and amounts withheld must be reported on the deceased employee's Form W-2.

A deletion of a payment originating through Direct Deposit should be completed if the payment has not been transferred to the ACH (See CAPP topic 50445). After the deletion, a special payment should be made to the "Estate of" via check.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Terminated Payments, Continued

Wages paid after employee dies and in the same year. Wages paid to a deceased employee's estate or executor after the employee dies but in the year of death are not subject to federal income tax withholding. However, they are subject to social security, Medicare, and FUTA taxes. (Note: Virginia wages are exempt from FUTA taxes.) Therefore, the agency must report the social security and Medicare wages and the amounts withheld on the deceased employee's Form W-2 in Boxes 3-6. The amount of taxable income should be reported only on a Form 1099-MISC.

Wages paid after the year of death. Wages paid to a deceased employee's estate or executor/administrator after the year of the employee's death are not subject to federal income tax withholding or social security, Medicare, or FUTA taxes and should be reported only on a Form 1099-MISC in the name of the beneficiary of the payment.

NOTE: See CAPP Topic 20302, *Information Returns Reporting*, for information relating to Form 1099.

Deceased Payments

In the event an active employee dies, ALL payments (regular, overtime, annual leave, sick leave, etc.) must be made using two Special Pay codes as follows:

Special Pay		Description
Number	Name	
54	Deceased Pay 1	Used to pay a deceased employee's estate, administrator, and/or executor. All payments due the employee after the date of the employee's death should be made using this special payment, EXCEPT IF THE DEATH OCCURRED IN A PREVIOUS CALENDAR YEAR.
55	Deceased Pay 2	Used to pay a deceased employee's estate, administrator, and/or executor if the death occurred during the previous calendar year.

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments – Data Entry

Special Payment Transactions Generally

Special Payment transactions can be entered and paid as either 9XX transactions (Special Payments - HUE01) or as 7XX transactions (Regular Payments - HUC01). When paying a special payment as a regular payment, all actions that are associated with regular pay are applied to the special payment (i.e., all deductions are processed, deduction overrides process, and manual paysets will update). Special Payments (9XX transactions) can also be treated as totally separate payments with separate taxing and deduction processing. Care should be taken when deciding how the special payment will be entered and determining how the processing of the special pay may affect other payments due the employee. See the processing hints section near the end of this topic prior to processing.

Reportable Meals and Company Car

When processing Special Pay 005 (Reportable Meals) or Special Pay 007 (Company Car), only the employee number, special pay number, and amount should be entered on HUE01. **DO NOT ENTER HOURS.**

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments – Data Entry, Continued

HUE01 Special Payment (9XX) transactions are entered using HUE01. Access HUE01 using routine Command Line navigation.

COMPANY NUMBER

Enter the agency number preceded by two (2) zeros.

BATCH NUMBER

Enter numeric value(s) identifying each batch. Each batch must have a different number within the same period.

PAGE NUMBER

Enter the page number as applicable to this unique batch.

EMPLOYEE NUMBER & TCD

The employee number is usually the employee's social security number followed by 2 zeros. For employees having more than one pay record, the last position and TCD identify the particular pay record.

TRN

Transaction Code (9XX) - This field defaults to the special pay number preceded by a 9, identifying the transaction as a special payment.

PAY NO

Special Pay Number - All special payments are assigned a unique pay number.

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments – Data Entry, Continued

HUE01, continued

STATE
LOCAL,
DEP
SEC

NOT USED AT THIS TIME

TAX

Tax Indicator - Enter the value indicating how to tax the special pay.

Values	Description
0	Withhold at the IRS Supplemental Rate.
1	Withhold taxes on a daily basis using the DATE FROM and DATE TO fields to calculate the taxes. Reference IRS guidelines before using this function. All special payments may not qualify for daily taxing.
2	Does not withhold any taxes, but updates all taxable fields.
3	Does not withhold any taxes, and updates all non-taxable fields.
4	Reduce regular pay by the amount of the special payment before calculating taxes.
5	Withhold taxes based on the EMF & Tax file

CHK

Check Indicator - Enter the value that determines whether a separate check or direct deposit advice will be issued for the special payment.

Values	Description
0	Do not produce a separate payment, and tax in conjunction with regular pay.
1	Do not produce a separate payment, and tax separately from regular pay.
2	Produce the special payment and no regular payment.
3	Produce the special payment on a separate pay instrument in addition to the regular payment.

NOTE: Cannot have multiple 9XX payments with a value of 2. If multiple 9XX payments are required, use '2' for the first transaction and a '3' for all remaining transactions.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments – Data Entry, Continued

HUE01, continued

DED

Deduction Indicator - Enter value indicating which deductions are to be withheld for the employee on the special payment.

Values	Description
0	Withhold normal deductions from the payment.
7	Withhold only percentage deductions from the payment.
8	Do not withhold deductions from this payment.
9	Withhold only banking deductions from this payment.
* *	Some other less often-used values can be accessed through the HELP function.

DATE FROM, DATE TO

Enter in MMDDYYYY the beginning and ending dates of the pay period covered by the transaction when applying Daily Taxing. Reference IRS guidelines before using this function. All special payments may not qualify for daily taxing.

HOURS

Enter the numbers of hours associated with the special payments, to two decimal places (i.e. 40 hours equals 4000).

RATE AMOUNT

Enter either a rate or amount the employee is to be paid. If the hours field is entered, the amount entered in this field is assumed to contain a *6-decimal place rate*, otherwise, this field is assumed to contain a *2-decimal place amount* (used in conjunction with the 'AU' field).

WORK- FIELD, LABOR CDE

THESE FIELDS ARE NOT USED.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments – Data Entry, Continued

HUE01, continued

ADJ

Adjustment Indicator - This field is used only to override an automatic special pay that is on the employee's masterfile on H10AS. **Note:** A separate check will not be issued for this transaction if a plus or minus is used, since this will be an adjustment to an automatic special pay.

Values	Description
BLANK	Not an adjustment.
+	Increase special payment value on H10AS by this amount.
-	Reduce special payment value on H10AS by this amount.

AU

Rate/Amount Indicator – Enter the value indicating if the payment is a flat amount or a rate.

Values	Description
0 or BLANK	If hours are entered, the RATE AMT field is a 6-decimal place rate; if no hours are entered, the RATE AMT field is a 2-decimal place amount.
1	The RATE AMT field is a 2-decimal amount even if hours are entered.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments as Regular

HUC01 Payments

CIPPS allows the user flexibility in processing special payments by allowing special payments (9XX transactions) to process as regular payments (7XX transactions). All actions that are associated with regular pay are applied to the 7XX transaction (i.e., all deductions will process, deduction overrides process, and manual paysets update). In order to use this function, special pay transactions must be entered on HUC01.

Note: Special payments 001, 002, 003 and 004 cannot be processed as “regular” due to the multiple special rates allowed per employee (see CAPP Topic No. 50505, *Time and Attendance*). Additionally, all nontaxable special pays cannot be “paid as regular pay” and must be entered on HUE01 (see CAPP Topic No. 60201, *CIPPS Codes*, to determine taxability of special pays).

HUC01

Special Payments as Regular Payments (7XX) transactions are entered using HUC01. Access HUC01 using routine Command Line navigation.

Sna - EXTRAI Personal Client

File Edit View Tools Session Options Help

> GUH 230 ON HUC01

--SPECIAL PAYMENTS AS REGULAR PAYMENTS--

COMPANY--> 0000 BATCH NUMBER--> 0000 PAGE NUMBER--> 0000

EMPLOYEE NUMBER	C D TRN	PAY STATE NO LOCAL	DEPT SEC	S D H E	DATE FROM	DATE TO	HOURS	RATE / AMT	A U
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0
000000000	X 7XX	000	000000	0 0	00000000	00000000	00000000	000000000000	0

A2874-NO RECORD/S FOUND

05/24/04 08:42:00 1 M3LL CIDL

NUM 05/02

SNA Server: Connected T1

**COMPANY
NUMBER**

Enter the agency number preceded by two (2) zeros.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments as Regular, Continued

HUC01, continued

**BATCH
NUMBER** Enter numeric value(s) to identify each batch. Each batch must have a different number within the same period.

**PAGE
NUMBER** Enter the page number as applicable to this unique batch.

**EMPLOYEE
NUMBER &
TCD** Enter the employee's social security number followed by two (2) zeros. For employees having more than one pay record, the last position and the TCD will identify the particular pay record.

TRN **Transaction Code (7XX)** - This field defaults to the special payment number preceded by a 7, identifying the transaction as regular pay with the special payment number following.

PAY NO All special payments are assigned a unique pay number.

**STATE
LOCAL,
DEP
SEC** **NOT USED AT THIS TIME**

SH **Shift Indicator** - Use this field to override the employee's normal shift for this pay period only.

Values	Description
0	Pay shift differential.
1	Do not pay shift differential.
2	Pay 2 nd shift differential if shift field equals 3 or 4 on the H0BBN screen.
3	Pay 3 rd shift differential if shift field equals 2 or 4 on the H0BBN screen.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Special Payments as Regular, Continued

HUC01, continued

DED

Deduction Indicator – Enter the value indicating which deductions are to be withheld for the employee on the special payment.

Values	Description
0	Withhold normal deductions from the payment.
8	Do not withhold deductions from this payment.
9	Withhold only banking deductions from this payment.

**DATE
FROM,
DATE TO**

Enter in MMDDYYYY format the beginning and ending dates of the pay period covered by the transaction when applying Daily Taxing. Reference IRS guidelines before using this function. All special payments may not qualify for daily taxing.

HOURS

Enter the number of hours associated with the special payments, entered to two decimal places (i.e. 40 hours equals 4000).

**RATE
AMOUNT**

Enter either a rate or amount the employee is to be paid. If the hours field is entered, the amount entered in this field is assumed to contain a *6-decimal place rate*, otherwise, this field is assumed to contain a 2-decimal place amount (used in conjunction with the 'AU' field.)

**WORK-
FIELD**

Workfield. **THIS FIELD IS NOT USED.**

AU

Rate/Amount Indicator – Enter the value indicating if the payment is a flat amount or a rate.

Values	Description
0 or BLANK	If hours are entered, the RATE AMT field is a 6-decimal place rate; if no hours are entered, the RATE AMT field is a 2-decimal place amount.
1	The RATE AMT field is a 2-decimal amount even if hours are entered.

LABOR CDE

Labor Distribution Code. **THIS FIELD IS NOT USED.**

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Processing Hints

Importance of Indicators

When processing special payments, agencies may want to achieve many different combinations of payment, taxing, and deduction processing results based on the type of special pay involved and agency preferences. Specific tax (TAX), check (CHK), and deduction (DED) indicators must be used in combination to produce preferred results. **Failure to apply the correct combination of indicators may produce an undesirable result.** The complete list of values and a description of their use for each indicator is provided in the previous section on data entry instructions for HUE01.

Basic Decisions

Several basic decisions concerning the special payments must be made prior to processing to ensure the special payment processes as desired. The basic decisions that follow help determine the values that must be used in the tax, check, and deduction indicators:

Decision	Controlling Indicator
Produce a single payment or combine the special payment with regular payment?	Check (CHK)
How should the special payment be taxed?	Tax (TAX). Except when combining special and regular payments, taxing is controlled by both the TAX and CHK indicators.
How should deductions be processed?	Deduction (DED). Except when combining special and regular payments, deduction processing is controlled by the TAX, CHK, and DED indicators.

NOTE: Certain Special Pays may require specific values for TAX, CHK and DED indicators to process (i.e. Imputed Life, etc.) See the appropriate CAPP topics for these special requirements.

Continued on next page

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Processing Hints, Continued

Special Rules for Combined Payment Processing

When combining a special and a regular payment into a single payment, the decision on how to tax the combined payment (based on check indicator) affects deduction processing. For example:

- When taxing the special payment in conjunction with the regular payment, the deduction indicator used on the special pay determines how deductions process for the entire payment.
- When taxing the special payment separately from the regular payment, the deduction indicator used on the special pay determines how deductions process for only the special payment.

Preferred Results

A list of the most common preferred payroll results along with the TAX, CHK, and DED indicator required to produce the preferred result follow:

PREFERRED PAYROLL RESULT			Indicators		
Produce a...	Tax according to...	And take...	TAX	CHK	DED
Separate payment	Employee's masterfile	No deductions	5	3	8
		All deductions	5	3	0
		Only banking deductions	5	3	9
		All percentage deductions	5	3	7
	Supplemental rate	No deductions	0	3	8
		All deductions	0	3	0
		Only banking deductions	0	3	9
		Only percentage deductions	0	3	7
Single payment (combine special and regular)	Employee's masterfile	No deductions (from the entire payment)	5	0	8
		All deductions	5	0	0
	Supplemental rate	No deductions (from the entire payment)	0	0	8
		All deductions	0	0	0

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Processing Hints, Continued

Preferred Results (continued)

PREFERRED PAYROLL RESULT			Indicators		
Produce a...	Tax according to...	And take...	TAX	CHK	DED
Special pay only (no regular)	Employee's masterfile	All deductions	5	2	0
	Supplemental rate	All deductions	0	2	0
2 separate special pays, and the regular pay	Employee's masterfile	No deductions	5	3	8
		(from the special pays)	5	3	8
2 special pays, combined w/regular	Supplemental rate	All deductions	0	0	0
			0	0	0
2 special pays only (no regular)	Employee's masterfile	All deductions on	5	2	0
		1 st special pay, only bank deductions on 2 nd special pay.	5	3	9

Internal Control

Internal Control

Agencies are responsible for verifying that the information pertaining to special payments is complete, properly authorized, and has been entered accurately into the system. Policies and procedures need to be established to ensure the proper review of information entered into the system, before the certification process. Payroll actions made to CIPPS is a shared responsibility of the person(s) who collects and processes the sources documents and the agency fiscal managers who must oversee the payroll operations to ensure consistent application of internal control procedures.

Volume No. 1—Policies & Procedures	TOPIC NO.	50515
Function No. 50000—Payroll Accounting	TOPIC	SPECIAL PAYMENTS
Section No. 50500—Paying the Employee	DATE	October 2004

Records Retention

Time Period The **Input Transaction Listing, Report 1001**, and the **Transaction Batch Balance Summary, Report 1005**, must be retained for 60 days. All other reports should be retained for five (5) years or until audited, whichever is later. Agency policy and procedures determine the retention of the related agency source documents/records. See CAPP Topic No. 21005, *Records Retention and Disposition*.

Contacts

DOA Contact Manager, State Payroll Operations
Voice: (804) 225-2245
E-mail: [Payroll @doa.virginia.gov](mailto:Payroll@doa.virginia.gov)

Payroll Business Analyst/Trainer
Voice: (804) 225-3120 or (804) 225-3079
E-mail: [Payroll @doa.virginia.gov](mailto:Payroll@doa.virginia.gov)

Subject Cross References

References CAPP Topic No. 20319, *Electronic Federal Tax Payments Processing*
CAPP Topic No. 21005, *Records Retention and Disposition*
CAPP Topic No. 50125, *Programmatic Data*
CAPP Topic No. 50310, *Rehires and Employee Data Maintenance*
CAPP Topic No. 50425, *Group and Optional Life Insurance*
CAPP Topic No. 60201, *CIPPS Codes*